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SUBJECT: Austria to Restitute Five Klimt Paintings

¶1. The GoA will transfer ownership of five Gustav Klimt paintings currently in the possession of the federally owned Austrian Gallery to a group of heirs led by Los Angeles resident Maria Altmann. Education Minister Elisabeth Gehrler announced today, January 17, that she will order restitution of these paintings in accordance with the decision of an independent arbitration panel announced yesterday. The paintings include two of Klimt's most famous works, "Portrait of Adele Bloch-Bauer I" and "Portrait of Adele Bloch-Bauer II."

¶2. Altmann's group consists of heirs to the paintings' original owner, Jewish industrialist Ferdinand Bloch-Bauer. The Nazis forced Bloch-Bauer (and Altmann) to flee Austria before World War II. Bloch-Bauer died in exile in 1945. The Nazis seized the paintings and turned them over to the Austrian Gallery.

Panel Decision

¶3. The panel found that the case involving the five paintings met the criteria for restitution under paragraph 1, section 1, of the 1998 Art Restitution Act. According to the panel, Ferdinand Bloch-Bauer's heirs were under pressure to leave the paintings with the Austrian Gallery in order to receive export permits for other art objects.

Future Fate of the Paintings Unclear

¶4. Los Angeles resident Maria Altmann, the most prominent heir involved in the case, told Austrian TV on January 16 that she wanted the two Klimt portraits to stay in Austria. She said that the three landscapes, however, would also be offered to museums outside Austria, but not to private collectors. Minister Gehrler noted that the government would hold talks with the heirs about the future of the paintings, but stressed that the purchase of even one painting would exceed the annual budget for all federal museums. (According to Gehrler, estimates of the value of the most renowned painting, "Portrait of Adele Bloch-Bauer I" range from 70 to 120 million euros.) The GoA would explore other options, such as financing through private donations or possible loans of the paintings by the heirs.

¶5. The decision ends a long legal dispute over the Klimt paintings. After the Education Ministry's art restitution council ruled against restitution of the paintings in 1999, the heirs continued to pursue the matter in an Austrian court, and subsequently in a U.S. court. In March 2005, after a U.S. Supreme Court ruling confirming that Altmann and the heirs could sue the Austrian government in U.S. courts, the GoA negotiated a binding arbitration process with the claimants.

¶6. The arbitration panel will now have to decide on the case of a sixth painting, "Amalie Zuckerkandl," also held by the Austrian Gallery. Maria Altmann and the Bloch-Bauer heirs are the claimants in this case, along with one other family.

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